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**FISCAL IMPACT STATEMENT**

**LS 6229**

**BILL NUMBER:** HB 1085

**NOTE PREPARED:** Feb 20, 2007

**BILL AMENDED:** Feb 19, 2007

**SUBJECT:** Semitrailer Registration Renewal Fee.

**FIRST AUTHOR:** Rep. Kuzman

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill:

- (1) specifies that the registration of a permanently registered semitrailer must be renewed on an annual basis;
- (2) requires the Bureau of Motor Vehicles (BMV) to adopt rules to prescribe the manner and form in which a person must annually renew the registration of a permanently registered semitrailer;
- (3) specifies that the amount of a fee increase imposed by rule for the Crossroads 2000 Fund must be collected after the elimination of the underlying fee; and
- (4) eliminates the \$2 annual fee to renew the permanent registration of a semitrailer.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** (Revised) (2) Requiring the BMV to adopt rules to prescribe the manner and form in which a person must annually renew the registration of a permanently registered semitrailer will have no fiscal impact and will be accomplished under their current rule-making procedures. The fund affected is the Motor Vehicle Highway Account (MVHA) which supports the BMV.

**Explanation of State Revenues:** (Revised) (4) *Summary:* The total annual revenue loss is estimated at approximately \$260,919. The funds affected are the MVHA and the Anti-Terrorism Fund.

The revenue reduction results from the elimination of: (1) the \$2.00 annual registration renewal fee; (2) a \$1.00 registration renewal fee for farm semi-trailers; and (3) the \$2 annual registration renewal fee collected by the Department of State Revenue for semi-trailers subject to the International Registration Plan.

*Background Information* - Of the \$2 annual renewal fee, \$0.75 is distributed to the MVHA, and \$1.25 is

distributed to the Anti-Terrorism Fund. Elimination of the annual \$2 renewal fee will reduce annual revenue by approximately \$261,000 (\$210,500 to the MVHA and \$50,500 to the Anti-Terrorism Fund), based on approximately 132,000 annual registrations. Over the calendar years 2000 through 2004, on average, there were 41,986 semi-trailers, including farm semi-trailers, subject to the fee registered by the Bureau of Motor Vehicles, along with 90,061 registered by the Department of State Revenue, or a total of 132,000 semi-trailers.

Below is a table which shows the impact on each of the affected funds.

Fund	Uses	Change in Revenue
<b>Motor Vehicle Highway Account (\$0.75) from the BMV collection (41,986 trailers *) and (\$2.00) from the state Department of Revenue collection (90,061 trailers)</b>	Construction, reconstruction, and maintenance, along with supporting the BMV, the State Police, the Dept. of Transportation, and the State Department of Revenue	(\$210,421)
<b>Anti-Terrorism Fund (\$1.25) (41,986 trailers *)</b>	Supports Integrated Public Safety Commission	(\$50,498)
<b>Net Annual Impact (\$2.00)</b>		<b>(\$260,919)</b>
* The annual renewal fee for farm semi-trailers is one-half of the amount for other semi-trailers (IC 9-29-5-13).		

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The bill would result in a reduction in revenues received by local units through MVHA distributions. (See *Explanation of State Revenues.*)

**State Agencies Affected:** BMV; Bureau of Motor Vehicles Commission and recipients of the Motor Vehicle Highway Account distributions: State Police; Department of Transportation; State Department of Revenue.

**Local Agencies Affected:** Cities, towns, and counties as recipients of MVHA distributions.

**Information Sources:** Jane Morrical, Office of Treasury, BMV, 317-232-2822; BMV Cash Audit for the years indicated.

**Fiscal Analyst:** James Sperlik, 317-232-9866.